

MINNESOTA STATUTES 1977 SUPPLEMENT

290.972 INCOME AND EXCISE TAXES

business corporation owned more than 50 percent of each class of the stock of the liquidating corporation.

[For text of subds 6 and 7, see M.S.1976]

[1977 c 376 s 11]

290.981 [Repealed, 1977 c 423 art 2 s 20]
290.982 [Repealed, 1977 c 423 art 2 s 20]
290.983 [Repealed, 1977 c 423 art 2 s 20]
290.984 [Repealed, 1977 c 423 art 2 s 20]
290.985 [Repealed, 1977 c 423 art 2 s 20]
290.986 [Repealed, 1977 c 423 art 2 s 20]
290.987 [Repealed, 1977 c 423 art 2 s 20]
290.988 [Repealed, 1977 c 423 art 2 s 20]
290.989 [Repealed, 1977 c 423 art 2 s 20]
290.99 [Repealed, 1977 c 423 art 2 s 20]
290.991 [Repealed, 1977 c 423 art 2 s 20]
290.992 [Repealed, 1977 c 423 art 2 s 20]

CHAPTER 290A. PROPERTY TAX REFUND ACT

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290A.01 Citation.

Sections 290A.01 to 290A.21 may be cited as the "State of Minnesota Property Tax Refund Act."

[1977 c 423 art 2 s 1]

290A.03 Definitions.

[For text of subds 1 and 2, see M.S.1976]

Subd. 3. **Income.** "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through December 31, 1976; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20, Clause (a)(1), (a)(2), (a)(3), (a)(10), (a)(13), and (a)(14);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends excluded from federal adjusted gross income under section 116 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

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(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans disability pensions), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) worker's compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) gifts from nongovernmental sources;

(d) surplus food or other relief in kind supplied by a governmental agency; or

(e) relief granted under sections 273.012, subdivision 2 or 290A.01 to 290A.21.

[For text of subd 4, see M.S.1976]

Subd. 5. **Household income.** "Household income" means all income received by all persons of a household in a calendar year while members of the household, other than income of a dependent.

[For text of subds 6, see M.S.1976]

Subd. 7. **Dependent.** "Dependent" means any person who is under 18 years of age at the end of the calendar year who receives more than 50 percent of his support from the claimant, or who is between 18 and 21 years of age and is a full time student who receives more than 50 percent of his support from the claimant. "Dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead. "Dependent" includes a person over 18 years of age who lives in the claimant's homestead and who receives more than 50 percent of his support from the claimant.

Subd. 8. **Claimant.** "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.21 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in

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lieu of ad valorem taxes are payable at some time during the calendar year covered by the claim, except that a claimant who is disabled or who has attained the age of 65 on the date specified in section 290A.04, subdivision 1, may file a claim based on residence in a unit on which ad valorem taxes were not payable. In the case of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.

If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

[For text of subs 9 and 10, see M.S.1976]

Subd. 11. Rent constituting property taxes. "Rent constituting property taxes" means 22 percent of the gross rent actually paid in cash, or its equivalent, or that portion of gross rent which is paid in lieu of property taxes, in 1977 or any subsequent calendar year by a claimant solely for the right of occupancy of his Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.21 by the claimant.

Subd. 12. Gross rent. "Gross rent" means rental paid solely for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any utilities, services, furniture, or furnishings furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, he may adjust the gross rent to a reasonable amount for purposes of sections 290A.01 to 290A.21.

If the landlord does not supply the charges for any utilities, furniture, or furnishings furnished by him, or if the charges appear to be incorrect the commissioner may apply a percentage determined from samples of similar gross rents paid solely for the right of occupancy.

Any amount paid by a claimant residing in property assessed pursuant to section 273.133 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant pursuant to section 273.133 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Subd. 13. Property taxes payable. "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6 and 7, but after deductions made pursuant to sections 273.132 and 273.135, in 1977 or any calendar year thereafter. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 22 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants

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shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable.

[1977 c 376 s 12; 1977 c 423 art 2 s 2-8]

NOTE: Subdivision 3, as amended by Laws 1977, Chapter 376, Section 12 is effective for taxable years beginning after December 31, 1976.

Subdivisions 3, 5, 7, 8, 11, 12, and 13, as amended by Laws 1977, Chapter 423, Article 2, Sections 2 to 8 are effective for claims based on rent paid in 1977 and subsequent years and property taxes payable in 1978 and subsequent years.

The effective date of amendments to subdivision 13 by Laws 1976, Chapter 334, Section 15, is for taxable years beginning after December 31, 1974, pursuant to Laws 1977, Chapter 423, Article 2, Section 19.

290A.04 Credit allowable.

[For text of subd 1, see M.S.1976]

Subd. 2. The refund shall be paid to claimants whose property taxes payable exceed the following percentages of their income, up to the designated maximum credit amounts:

For claimants earning:

\$0 to \$2,999, 0.5 percent, up to \$475;

3,000 to 3,999, 0.6 percent, up to \$475;

4,000 to 4,999, 0.7 percent, up to \$475;

5,000 to 5,999, 0.8 percent, up to \$475;

6,000 to 6,999, 0.9 percent, up to \$475;

7,000 to 7,999, 1.0 percent, up to \$475;

8,000 to 8,999, 1.1 percent, up to \$475;

9,000 to 9,999, 1.2 percent, up to \$475;

10,000 to 10,999, 1.3 percent, up to \$475;

11,000 to 11,999, 1.4 percent, up to \$475;

12,000 to 19,999, 1.5 percent, up to \$475;

20,000 to 22,999, 1.6 percent, up to \$475;

23,000 to 25,999, 1.8 percent, up to \$425;

26,000 to 30,999, 2.0 percent, up to \$375;

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31,000 to 35,999, 2.2 percent, up to \$350;

36,000 to 40,999, 2.4 percent, up to \$325;

41,000 to 44,999, 2.6 percent, up to \$325;

45,000 to 52,999, 2.8 percent, up to \$325;

53,000 to 65,999, 3.0 percent, up to \$325;

66,000 to 81,999, 3.2 percent, up to \$325;

82,000 to 99,999, 3.5 percent, up to \$325;

100,000 and over, 4.0 percent, up to \$325;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$5 per \$1,000.

The payment made to a claimant shall be the amount of refund calculated pursuant to this subdivision, but not exceeding \$675, less the homestead credit given pursuant to section 273.13, subdivisions 6 and 7.

Subd. 2a. An additional refund shall be allowed each claimant who was not disabled or who had not attained the age of 65 by June 1 of the year in which the taxes were payable and whose claim is based on taxes paid on the home he owns in an amount equal to 35 percent of the amount by which property taxes payable and rent constituting property taxes exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$ 0 to 19,999, up to \$800;

20,000 to 25,999, up to \$800;

26,000 to 35,999, up to \$650;

36,000 and over, up to \$325;

provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$25 per \$1,000; between \$26,000 and \$36,000 decline \$32.50 per \$1,000. A claimant who owns his own homestead part of the year and rents part of the year may add his rent constituting property taxes to the qualifying tax on his homestead and receive the additional refund provided in subdivision 2a.

Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes were payable in an amount equal to 50 percent of the amount by which property taxes pay-

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able or rent constituting property taxes exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$ 0 to 19,999, up to \$800;

20,000 to 22,999, up to \$800;

23,000 to 25,999, up to \$763;

26,000 to 35,999, up to \$725;

36,000 and over, up to \$525;

provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$12.50 per \$1,000; between \$26,000 and \$36,000 decline \$20 per \$1,000.

In the case of a claimant who was disabled on June 1 or who attained the age of 65 on the date specified in subdivision 1, the refund shall not be less than the refund which the claimant's household income as defined in section 290A.03 and property tax or rent constituting property tax would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618.

[For text of subd 3, see M.S.1976]

[1977 c 423 art 2 s 9-11]

NOTE: Subdivisions 2, 2a, and 2b, as amended by Laws 1977, Chapter 423, Article 2, Sections 9 to 11, are effective for claims based on rent paid in 1977 and subsequent years and property taxes payable in 1978 and subsequent years.

290A.05 Combined household income.

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, the property tax payable or rent constituting property tax shall be reduced as follows:

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

[1977 c 423 art 2 s 12]

NOTE: This section as amended by Laws 1977, Chapter 423, Article 2, Section 12, is effective for claims based on rent paid in 1977 and subsequent years and property taxes payable in 1978 and subsequent years.

290A.06 Filing time limit, late filing.

Any claim for property taxes payable shall be filed with the department of revenue on or before August 31 of the year in which the property taxes are due and payable. The commissioner may extend the time for filing these claims for a

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period not to exceed six months in the case of sickness, absence, or other disability, or when in his judgment other good cause exists.

A claim filed after the original or extended due date shall be allowed, but the amount of credit shall be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent which may be cancelled or reduced by the commissioner in the case of sickness, absence, or other disability, or when in his judgment other good cause exists. In any event no claim shall be allowed if the claim is filed two years after the original due date for filing the claim.

[1977 c 386 s 10]

290A.08 One claimant per household.

Only one claimant per household per year is entitled to relief under sections 290A.01 to 290A.21. Payment of the claim for relief may be made payable to the husband and wife as one claimant. The commissioner, upon written request, may issue separate checks, to the husband and wife for one-half of the relief provided the original check has not been issued or has been returned.

[1977 c 423 art 2 s 13]

NOTE: This section as amended by Laws 1977, Chapter 423, Article 2, Section 13, is effective for claims filed in 1977 and subsequent years.

290A.10 Proof of taxes paid.

Every claimant who files a claim for relief for property taxes payable shall include with his claim a property tax statement or a reproduction thereof in a form deemed satisfactory by the commissioner of revenue indicating that there are no delinquent property taxes on the homestead. Indication on the property tax statement from the county treasurer that there are no delinquent taxes on the homestead shall be sufficient proof. Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37.

[1977 c 423 art 2 s 14]

NOTE: This section as amended by Laws 1977, Chapter 423, Article 2, Section 14, is effective for claims filed in 1977 and subsequent years.

290A.14 Property tax statement.

The county treasurer shall prepare and send a sufficient number of copies of the property tax statement to the owner, and to his escrow agent if the taxes are paid via an escrow account, to enable him to comply with the filing requirements of this chapter and to retain one copy for his records. The property tax statement, in a form prescribed by the commissioner, shall indicate the manner in which the claimant may claim relief from the state and the amount of the tax for which the applicant may claim relief. The statement shall also indicate if there are delinquent property taxes on the property in the preceding year. Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37.

[1977 c 423 art 2 s 15]

NOTE: This section as amended by Laws 1977, Chapter 423, Article 2, Section 15, is effective for claims filed in 1977 and subsequent years.

290A.17 Publishing or releasing information on claims.

The provisions of section 290.61 relating to the confidential nature of income tax returns shall be applicable to claims filed pursuant to the provisions of chapter 290A.

*Nothing herein shall be construed to prohibit the commissioner from publishing or releasing the information concerning amounts of property tax accrued and the relief granted to taxpayers without including information which would identify

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individual taxpayers. The commissioner may examine income tax returns as he deems necessary and may utilize the information in legal and administrative proceedings to insure proper administration of sections 290A.01 to 290A.21, notwithstanding section 290.61.

[1977 c 387 s 3]

290A.18 Right to file claim.

If a person entitled to relief under sections 290A.01 to 290A.21 dies prior to filing a claim or receiving relief, the surviving spouse or dependent of the person shall be entitled to file the claim and receive relief. If there is no surviving spouse or dependent, the right to the credit shall lapse.

[1977 c 423 art 2 s 16]

NOTE: Persons who file claims pursuant to this section prior to December 31, 1977 for previous years shall not be subject to the penalties provided in Minnesota Statutes, Section 290A.06, pursuant to Laws 1977, Chapter 423, Article 2, Section 21.

290A.19 Owner or managing agent to furnish rent certificate; penalty.

The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent paid to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the obligation of the owner or managing agent shall be to either provide the certificate to the renter at the time he moves, upon the renter's request, or to mail the certificate to the forwarding address provided by the renter. The certificate shall be made available to the renter not later than February 15 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

[1977 c 423 art 2 s 17]

NOTE: This section as amended by Laws 1977, Chapter 423, Article 2, Section 17, is effective for claims based on rent paid in 1977 and subsequent years and property taxes payable in 1978 and subsequent years.

290A.21 [Repealed, 1977 c 423 art 2 s 20]

290A.23 Appropriation.

There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required by chapter 290A.

[1977 c 423 art 2 s 18]

NOTE: This section is effective for claims based on rent paid in 1977 and subsequent years and property taxes payable in 1978 and subsequent years.

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Sec.
291.07 Deductions.

Sec.
291.09 Determination of tax.

291.07 Deductions.

Subdivision 1. In determining the tax imposed by section 291.01, where, a personal representative has been appointed for the estate, or where a decree of descent for the estate has been entered under section 525.31 or where there have been summary proceedings for the estate if under section 525.51, the following deductions shall be allowed:

(1) funeral expenses

(2) probate administration expenses, including but not limited to expenses incurred during administration in converting real and personal property held by the estate into cash